



TIPPEGAN NEWS

SPECIAL ELECTION ISSUE!

Tax Levy for Streets, Safety & Stormwater on May 8th Ballot



streets



stormwater



safety

On May 8th, voters in the City will have only one reason to go to the polls, and that is to decide the fate of the City's proposed 0.25% income tax levy for capital improvements. The levy would raise the City's current 1.25% income tax rate to 1.5% with the additional dollars being devoted exclusively to street improvements, stormwater projects, and the replacement of key safety equipment.

This tax request represents the *first permanent* income tax rate increase proposed since 1981 when voters approved a 0.3% increase. Voters also approved 0.25% temporary increase in 2002 for 10 years to fund Park improvements, which is set to expire at the end of 2012.

The May 8th levy request, if approved, will generate an additional estimated \$820,000 per year. Specific projects

intended to be accomplished with the additional funds includes:

- ❁ Accelerating interior street resurfacing by nearly doubling the current \$200,000 annual repaving program
- ❁ Reconstructing older streets that need to be rebuilt including sections of S. Third St., Dow, Horton, Franklin, & Hartman
- ❁ Completing stormwater projects including areas along the Amokee/Bull Run drainage system, Rhorer's Run, and replacing the Maple Hill Bridge
- ❁ Replace the Fire Department's 32 year old ladder truck and make improvements to the West Side Fire & EMS Station to accommodate the new equipment

Without the additional funds generated by the 0.25% levy, these projects would most likely not occur given the City's overall revenues and financial capacity. In anticipation of certain questions being asked about the levy, the balance of this newsletter is devoted to answering citizens questions concerning the tax levy.

Q. When will the tax increase go into effect?

Not until Jan. 1, 2008. 2007 tax returns will not be affected.

Q. Didn't taxes just go up?

YES – real estate taxes did, BUT not for municipal services. Tipp City's share of every property tax dollar paid is approximately 3.5 cents. The current property tax rate levied by the City is 1.4 mills and this rate has been traced back to the 1920's! The regional average for cities is 6 mills

Q. How are my current income tax dollars used?

Of the total 1.25% rate, 0.8% goes into the General Fund of the City to be used for operating expenses, 0.2% goes into the Capital Improvement Reserve Fund to pay for capital improvements, and the 0.25% for parks goes into the Parks Capital Improvement Fund to pay for physical improvements to the City's park system.

Regional* City Income Tax Rates

Oakwood	2.50%	Vandalia	2.0%	Clayton	1.50%
Dayton	2.25%	Miamisburg	1.75%	Riverside	1.50%
Kettering	2.25%	Centerville	1.75%	Sidney	1.50%
Trotwood	2.25%	Englewood	1.75%	Average	1.88%
Huber Hts.	2.25%	Piqua	1.75%	Tipp City	1.25%
Moraine	2.0%	Troy	1.75%	<i>(current)</i>	
W. Carroll.	2.0%	Brookville	1.75%	Tipp City	1.50%
				<i>(proposed)</i>	

*Miami, Montgomery & Shelby County cities

continued...

*Tax Levy continued***Q. What other options were considered?**

Property tax – Over 3.5 mills would be needed to generate the same revenue; the City did not want to compete with the Schools, Community Services & Monroe Twp. for property tax dollars

Stormwater Utility – This concept has been seriously evaluated wherein every resident & business would pay a fee as part of the monthly utility bill like many cities are now doing. Though this could generate between \$200,000 and \$400,000 annually, funds would be limited to stormwater projects only

Permissive License Fee (increase from current \$10) – State law permits cities, townships and counties to levy up to \$20 on top of vehicle license fees for road improvements. This would generate only an additional \$100,000 annually

Reduce Credit on Income Taxes Paid by Residents – Very few cities give less than 100% credit to their residents for taxes paid elsewhere, so Tipp would be outside the “norm” and would affect Tipp residents working in other cities and paying higher tax rates to those communities disproportionately

Q. Won't these funds just be used to pay salaries, wages and other operating costs?

NO – by law, these funds may only be spent for the purposes designated by Council legislation in adopting the tax levy – which was exclusively for capital improvements. These expenditures are reviewed annually by independent auditors to ensure their appropriate usage. ♣

For more information, visit
www.tippcityohio.gov or call 667-8425

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How the Tax Levy Would Affect You

To illustrate how different households might be affected by the proposed 0.25% increase in the City income tax rate, three hypothetical scenarios are depicted below:

The Smiths

John and Betty Smith have lived in Tipp City for over 40 years, raising three children and choosing to live their golden years of retirement in the community. After a career at the Air Force Base, John has retired and draws a pension from his civilian service at the base. His wife Betty has worked in clerical and secretarial jobs over the years and now draws income from Social Security. Combined, they earn about \$32,000 a year from pension and Social Security income and from some annuity investments they've made along the way. With passage of the proposed tax levy, the Smiths' income tax payment to the City of Tipp City would remain at zero, since they have no taxable income under Tipp City's ordinance.

The Smiths' additional annual tax liability = \$0.00

The Johnsons

Bill and Jane Johnson are long-time residents having grown up in Tipp and graduating from Tippecanoe High School. Bill is a photographer and works out of his home, while Jane is a teacher in the local school system. The Johnsons have two children who are currently in junior high and grade school. They have a combined income of \$80,000. Since both earn wages within the City limits, the Johnsons will pay the additional 0.25 percent income tax. Based on the \$80,000 figure, their annual tax liability will increase \$200 or \$3.85 per week.

The Johnsons additional tax liability = \$200

The Millers

Mark and Cathy Miller are relatively new residents of Tipp City, moving to the community about five years ago. Mark is an engineering technician for a manufacturing company based in Troy. Cathy is a bank teller for a credit union in Vandalia. The Millers combined income is approximately \$60,000. Since all of the Miller's income is earned in cities with an income tax rate already higher than Tipp City's proposed rate, the Millers will not pay any additional tax to Tipp City upon passage of the proposed 0.25 percent increase.

The Millers' additional annual tax liability = \$0.00 ♣

Notice Some polling places in Tipp City have changed. Please be sure to double-check to make sure of the location of your polling place if you are uncertain. The Board of Elections number is 440-3900.



Important City Contacts

**Automated Attendant/
Direct Connect** 669-TIPP

**Police, Fire and EMS
(EMERGENCY)** 9-1-1

**Miami County Communications
Center (Non-Emergency)** 440-9911

Police (Non-Emergency) 667-3112

Fire and EMS (Non-Emergency)
667-9199 or 667-1680

Utility Billing 667-8424

Planning/Zoning 667-6305

Engineering and Utilities 667-6305

**Refuse Collection (Waste
Management)** 866-695-3433

**Service Center (Parks and
Streets)** 667-8234

City Manager's Office 667-8425

Clerk of Council 506-3173